United Nations DP/2008/36/Corr.1

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
27 May 2008

Original: English

Annual session 2008
16 to 27 June 2008, Geneva
Item 18 of the provisional agenda
Financial, budgetary and administrative matters

UNDP engagement in direct budget support and pooled funds

Corrigendum

Note: The present corrigendum reflects important feedback provided by the Executive Board during recent informal consultations on UNDP engagement in direct budget support and pooled funds.

Delete the last sentence of paragraph 4 and insert a new paragraph 5, *to read:*

5. All this is in keeping with and directly responding to the Triennial Comprehensive Policy Review of 2007(General Assembly resolution 62/208), where it is recognized that "current trends in development assistance, including sector-wide approaches and budget support, pose challenges to the United Nations", and which stressed that "the United Nationals can play a role in assisting developing countries to manage these aid modalities". In 2004, the Triennial Comprehensive Policy Review (General Assembly resolution 59/250) had already asked the United Nations system to "support national capacities for the management of various aid modalities, including system-wide approaches and budget support".

Insert a new paragraph 6, *to read:*

6. The 2007 Triennial Comprehensive Policy Review takes this one step further and explicitly "encourages that the United Nations development system be invited to participate, ex officio, in current and new aid modalities and coordination mechanisms at the request of the programme country, and invited the United Nations development system to enhance its participation in this regard".

Insert a new introductory sentence in paragraph 7 (formerly paragraph 5), *to read:*

7. The above context of the TCPR provides the strong raison d'être for UNDP and the United Nations development system to move increasingly towards national implementation with the support to and use of national systems where appropriate.

Add a new concluding sentence to paragraph 7, *to read:*

08-35487 (E) 060608

The national development strategies that underpin these processes and the national institutions that manage them are at the centre of this initiative to provide an expanded and more flexible set of aid instruments that UNDP can also benefit from.

Paragraph 15 (formerly paragraph 13) *should read:*

15. In environments where government endorses the use of direct budget support and government and donors agree on the type of direct budget support modality that best fits the development cooperation need in that particular context, that would be reflected in the UNDAF. UNDP support in a direct budget environment can take the form of a capacity development initiative and policy advisory services through (a) a standard UNDP project, or (b) a UNDP financial contribution to a sector budget support fund or to a pooled fund. Alternatively, it could be a combination of (a) and (b).

The preambular portion of paragraph 17 (formerly paragraph 15) *should read:*

17. The value-added role and support of UNDP will be focused on national capacity development in this context in two ways: (a) the capacities of the national entities negotiating, managing and overseeing sector-wide approaches in UNDP mandate areas; and (b) guiding these sector-wide approaches to focus more on national capacity development, so that support to national capacities is not an add-on or separately supported item in that sector/programme approach. Based on demand, the areas of support to capacity development emphasis in this context to which UNDP brings a comparative advantage are:

The preambular portion of paragraph 23 (formerly paragraph 21) *should read:*

23. If UNDP support is provided through the channeling of financial resources to a sector budget support or pooled fund, together referred to hereafter as the 'fund', all of the following conditions must be present as justification for this decision:

A new sentence should be added at the end of paragraph 28 (formerly paragraph 26), *to read:*

These countries would be selected on the basis of the existence of government or multi-donor pooled funds or sector budget support in UNDP mandate areas where UNDP is formally requested by government to join the pool or sector budget support.

A new sentence should be added at the end of paragraph 32 (formerly paragraph 30), *to read:*

A United Nations system-wide approach is under discussion, and an update on this could be presented at the annual session 2008 of the Executive Board if requested.

Paragraph 33 (formerly paragraph 31) *should read:*

33. The initial demand for UNDP to contribute to pooled funds as well as the early results of such engagement in pooled funds and sector budget support would also be used in the national and intergovernmental discussions leading up to the Third High-Level Forum on Aid Effectiveness, to be held in Accra, Ghana, from 2 to 4 September 2008.

In the annex, the proposed amendment to regulation 18.05 (a) *should read:*

except in the case of sector budget support and pooled funds.

A new second sentence should be inserted into the proposed amendment to regulation 18.05 (b), *to read:*

The policies and procedures shall provide that UNDP may make financial contributions to either sector budget support or pooled funds.

The third sentence of the proposed amendment to regulation 18.05 (b) should open *as follows:*

The policies and procedures shall further provide for UNDP reporting....

The proposed amendment to regulation 16.04 (a) *should conclude:*

except in the case of sector budget support and pooled funds.

The proposed amendment to regulation 16.04 (b) *should read:*

(b) *In the case of sector budget support or pooled funds, resources obtained from or through UNDP shall be audited in accordance with the audit provisions established in the agreement among the participants to, and governing, the sector budget support or pooled fund, consistent with the policies and procedures for UNDP participation in direct budget support and pooled funds, established by the Administrator.*

United Nations DP/2008/36/Corr.2

Executive Board of the United Nations Development Programme and of the United Nations Population Fund

Distr.: General
17 June 2008

Original: English

Annual session 2008
16 to 27 June 2008, Geneva
Item 18 of the provisional agenda
Financial, budgetary and administrative matters

UNDP engagement in direct budget support and pooled funds

Corrigendum

Note: The present corrigendum reflects the additions to the proposed amendments of the Financial Regulations and Rules as required by the Advisory Committee on Administrative and Budgetary Questions.

In the annex, the third sentence of the proposed amendment to regulation 18.05 (b) should open *as follows:*

The policies and procedures shall further provide for UNDP reporting to the Executive Board....

The last sentence of the proposed amendment to regulation 18.05 (b) *should read:*

The expenditure recognition for UNDP resources contributed to the sector budget support or pooled fund shall be on a prorated basis including the total contributions by the participating partners.

08-38835 (E) 190608